Improving the Tradecraft in Services Acquisition

Defining the Process

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Well Documented Issue

House Armed Services Committee Report excerpts: 2010

…challenges with the *requirements process* are a major factor in poor acquisition outcomes. Most concerning was the fact that the requirements process for the acquisition of services, the largest category of acquisition, is almost entirely ad hoc.

Defense Science Board Task Force Report March 2011

DOD should systematically improve training for personnel involved in services acquisition and oversight

GAO Report, September 2011

"DOD does not have a deliberate approach to identifying

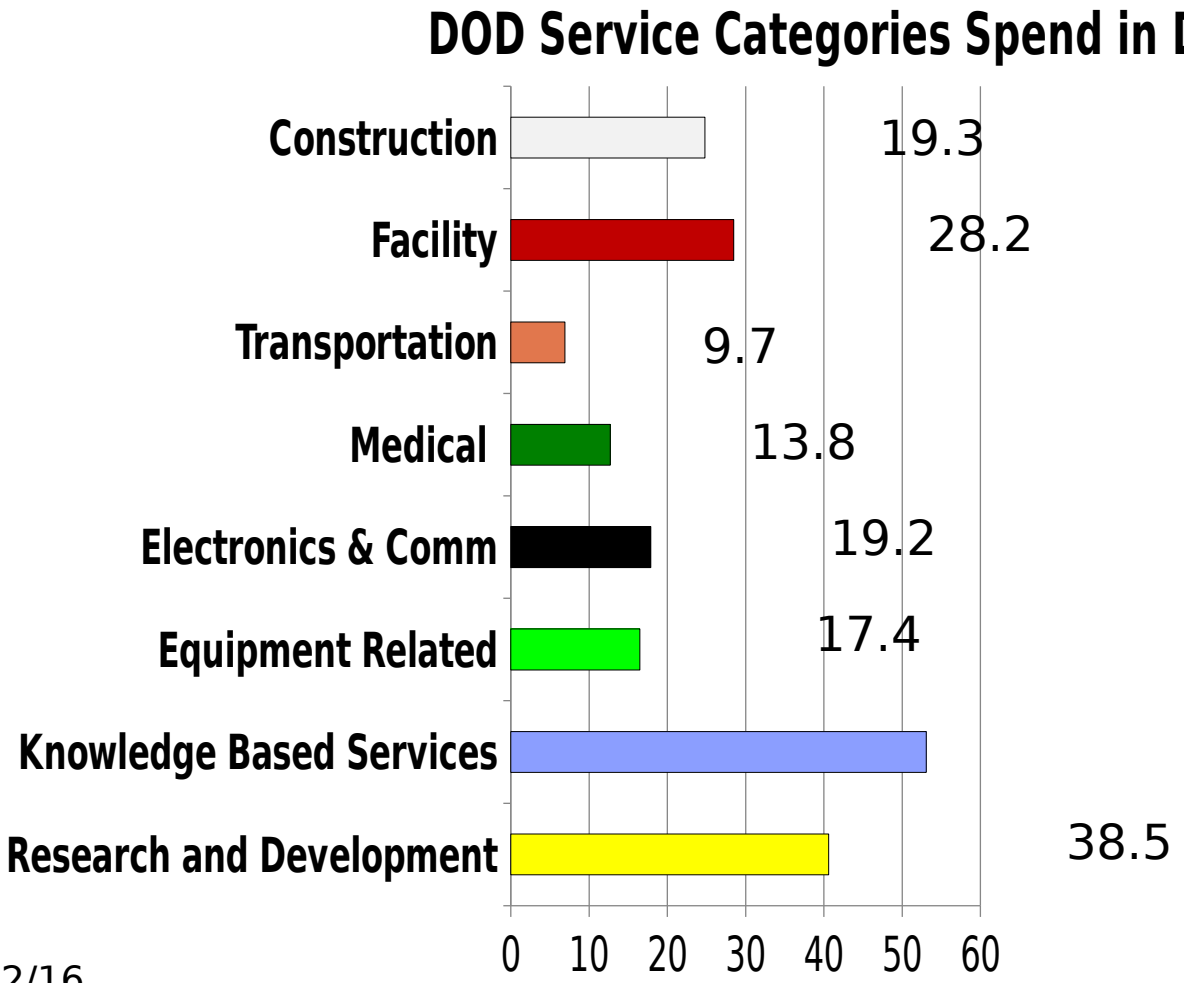
The Challenge: Achieve Better Buying Power

- **"<u>Better Buying Power</u>"** initiatives and directives (issued Sept. 2010 by Dr. Carter – DepSecDef, AT&L) - 23 specific Better Buying Power actions, in 5 major areas:

1. **Target Affordability & Control Cost Growth**
2. **Incentivize Productivity & Innovation in Industry**
3. **Promote Real Competition**
4. **Improve Tradecraft in Services Acquisition**
5. **Reduce Non-productive Processes & Bureaucracy**

DOD FY 11 Dollars Spent

DoD Total Contract Spend: $ 373.8 Billion

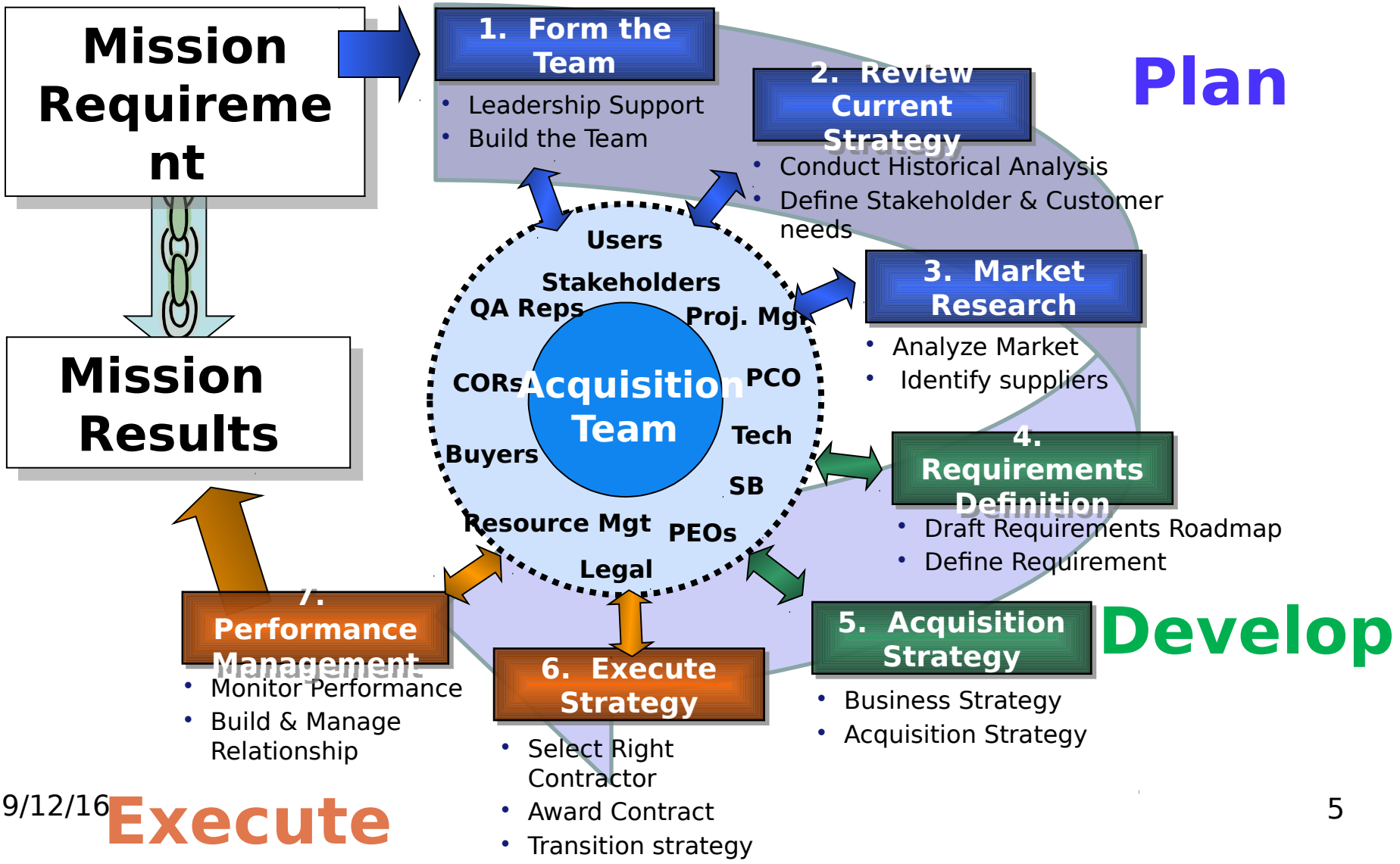


Equipment Contracts:
$175.2 Billion
47%

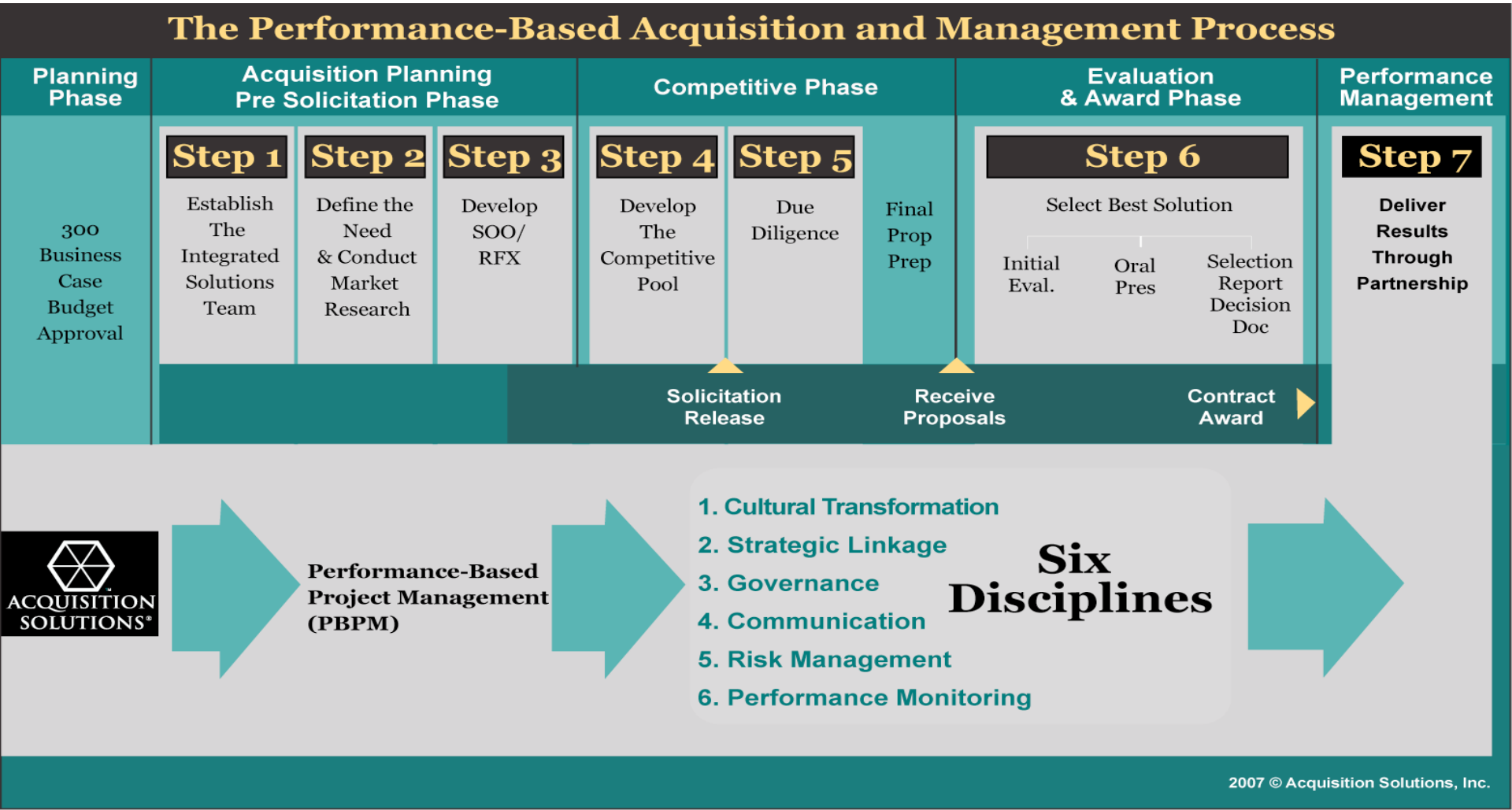
R&D/Construction
$ 57.8 Billion
15%

Service Contracts
$ 140.8 Billion
38%

DOD Guidebook for the Acquisition of Services defines process structure

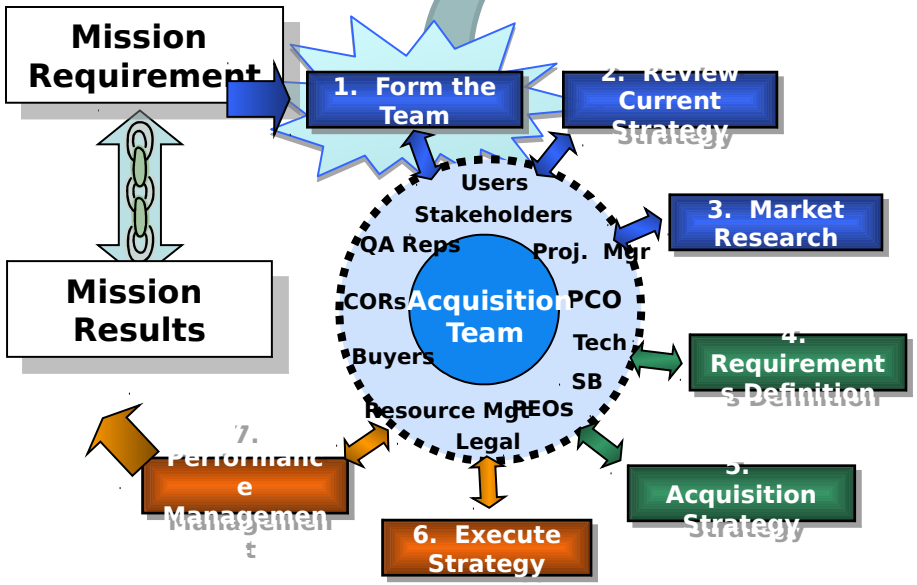


Alternate Performance-Based Services Acquisition Approach



Step One – Form the Team

Service Acquisition Process



Form the Team Sub-elements

- Ensure senior management involvement and
- Form the Team and Team Charter
- Identify & analyze stakeholders, nurture consensus
- Develop communication plan
- Develop & maintain knowledge base over the project life
- Plan and Schedule topical team training (Risk, COR, etc)

Team Vision and Charter

Team Charter captures:

Vision

Mission

Project Description
Team Deliverables
Membership
Roles and Responsibilities

Team Name:	Senior Stakeholder:
(Your Team Name Here)	(Who is the principle leader being supported by this effort)
Project Name:	Period of Performance:
	Start Date: Completion Date:

Team Purpose: (Why are you here)

Example: *To develop a smart business strategy to acquire contract support to support various test ranges that meet the vision and mission goals as stated below:*

Vision: (At a high level, define in one sentence what you're trying to achieve) *Here's an example:* ***To be the safest working environment for testing while using the most dangerous equipment in the world.***

Mission: (How will you achieve your vision and why is it important) *This mission statement relates to the vision above:* ***To ensure a safe workplace by performing safety and hazard analysis of military equipment, facilities, and test ranges in order to ensure the War fighter's equipment is safe to use in Worldwide environment.***

Project Description:

(Capture the essential performance requirements of your project or acquisition such as in the example below)
Example:
1.Provide systems test safety engineering support to identify risk levels and hazards to minimize/avoid injury
2.Provide radiation safety support that mitigates risk of ionizing and non-ionizing radiation sources
3.Provide range safety support to mitigate safety hazards throughout the entire test range
4.Provide industrial hygiene support to identify risk levels and hazards to minimize/avoid injuries
5.Provide OSHA and safety engineering compliance support
6.Provide management oversight support for ammunition and explosive functions
7.Computer automated support in the areas of scheduling and safety
8.Provide support to capture, collate, and report installation safety issues to the commander
9.Provide support to manage the installation's health and wellness program

Project Plan supports each step of the Seven Step process

If task does not apply to the acquisition, it is grayed out

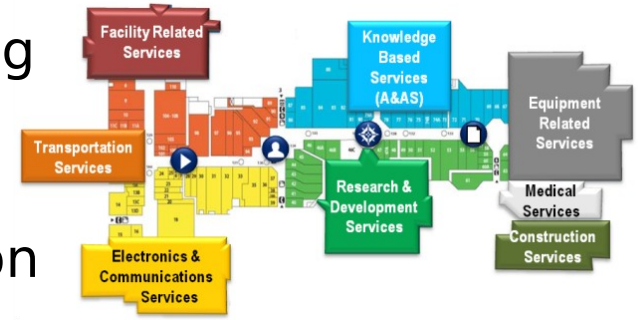
		Responsible	Duration	Target Due	Accountable	Contributor	Informed
2	**Review Current Strategy**						
2.1	Identify current initiatives/contracts	Connie		Complete	Connie		
2.2	Review and document current performance (cost, quality, schedule)						
2.2.1	Review current stakeholder issues	Connie		Complete	Jerry		
2.2.2	Document current metrics **(no current AF metrics reported)**	Connie		Complete	Jerry	Sue	Jerry
2.3	Begin program risk identification (cost, schedule, performance)	Jerry		Comp / On-going			
2.4	Document current processes						
2.4.1	Detail user/customer requirements, acquisition process, service steps, supplier functions, and contingency processes	Connie		30-Jun	Connie	Sue	Sandy/Kathleen
	Document process for new construction up to requirements package	Sandy		30-Jun	Connie	Annalaura	Sue
	Document process for replacement up to requirements package	Sandy		30-Jun	Connie	Annalaura	Sue
	Document process from requirements package to award of delivery order	Connie		30-Jun	Connie		
	Document process for service	Sue		30-Jun	Connie		
2.4.2	Document current cost of the product/service	Sue		Complete	Connie		
2.4.3	Identify challenges associated with the product/service						
2.4.4	Understand the impact of contingency operations						
2.4.5	Understand the effect on small business participation	Connie		Complete	Connie		
2.4.6	Understand local command funding authority						
2.4.7	Understand effects of bundling and/or consolidation, if applicable **(n/a if SB only)**	Connie		Complete	Connie		
2.5	Determine Status of GFP/GFM/Facilities						
2.5.1	Determine availability, serviceability, etc (status)						
2.5.2	Determine disposition planned for current and future						
2.5.3	Determine replacement costs, life cycle expectations, repair costs						
2.6	Conduct Spend Analysis						
2.6.1	Review spend analysis specific to the product / service group	Connie		Complete	Jerry	Sue	Jerry
2.6.2	Identify any potential subcategories	Connie		Complete	Jerry	Jerry	
2.6.3	Gather additional spend data as required	Connie		Complete	Jerry	Jerry	
2.6.4	Gather, cleanse & interpret gov't spend data	Connie		Complete	Jerry	Jerry	Sue
2.6.5	Understand total cost of ownership				Jerry	Jerry	
2.7	Stakeholder submits current and projected requirements forecast **(Have ACC & AMC)**	Connie		15-Jun	Jerry	Maj Leighton	**MAJCOM Reps**

Must have names to assign responsibilities

Improving Tradecraft: Services Acquisition Mall

- Website to promote collaboration among acquisition workers at all levels of government.
- Provides a “hands-on” resource for getting real world examples for writing performance based contracts.
- Follows DOD Guidebook for the Acquisition of Services

Online at:
http://sam.dau.mil

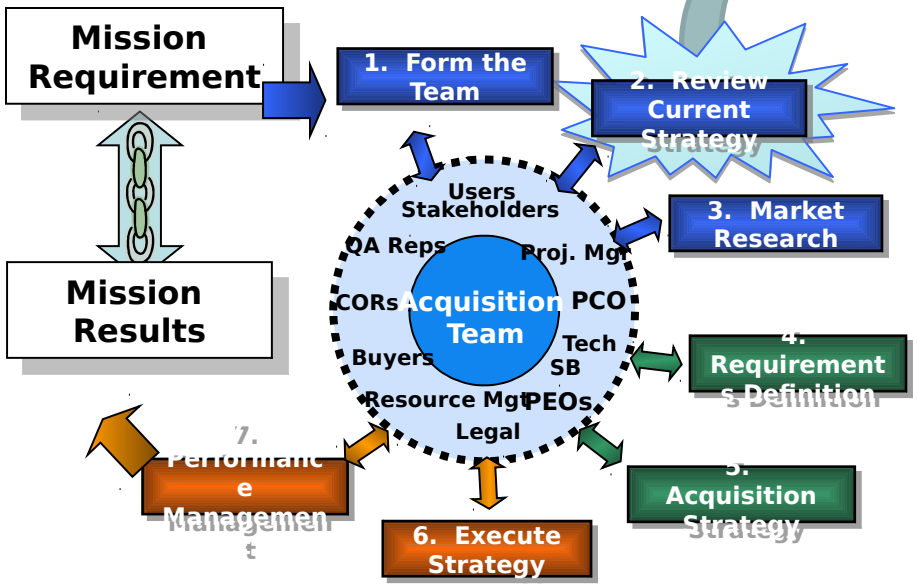


Organized by Service Portfolio Groups containing:

- Best practices
- Training, guidance, and videos
- Knowledge repository
- Keyword search
- Tools to plan, develop, and execute service requirements

Step 2 Review Current Strategy

Service Acquisition Process

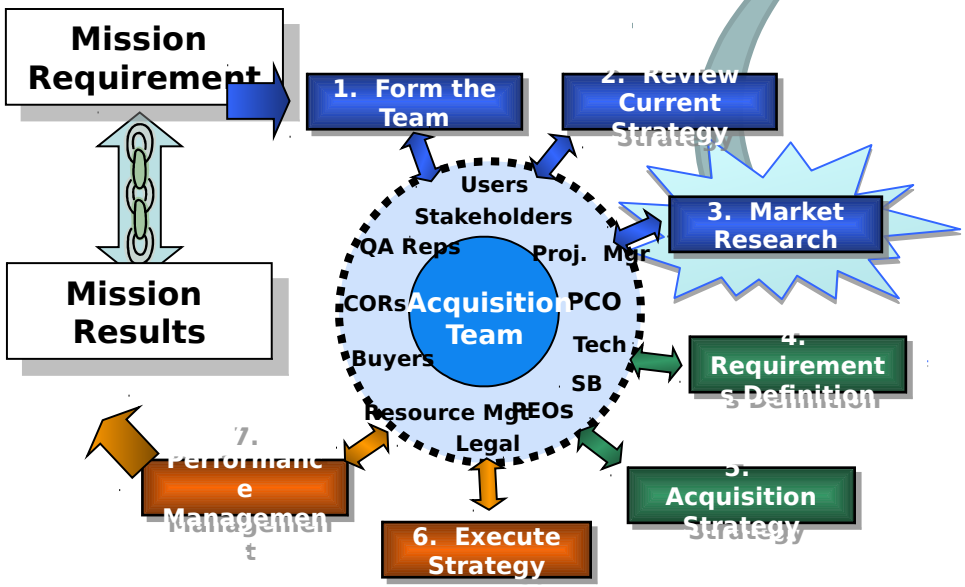


Review Current Strategy Sub-elements

- Identify current initiatives/contracts
- Review and document current performance (cost, quality, schedule)
- Begin program risk identification
- Document current processes
- Determine Status of GFP/GFM/Facilities
- Stakeholder submits current and projected requirements forecast
- Review current /statutory requirements
- Define (at a high level) desired results
- Review current performance and desired results with stakeholders and users
- Refine desired results and validate with stakeholders

Step Three – Market Research

Service Acquisition Process



Market Research Sub-elements

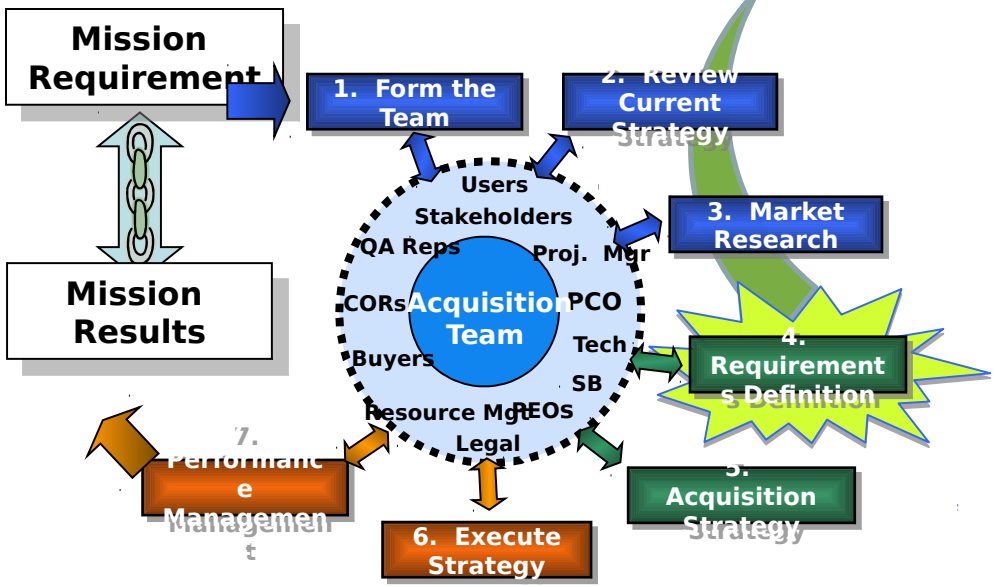
- Take a team approach to market research
- Determine data sources
- Develop a standardized interview guide
- Conduct market research (include both providers and
- Request information from service providers (informal or formal)
- Analyze market research
- Document market research and trends

Planning Phase - Challenges

…the Panel remains concerned that ***professional-level training*** courses for ***services program managers*** continue to be lacking. (HASC Report)

- Assignment of a Program or Project Manager is still the exception, not the rule
- Limited early KO involvement creates frustration
- Limited Stakeholder Analysis
- Ineffective Market Research
  - "Sources Sought" Announcements and Industry Days are not all there is to it
- Fear of communicating with industry prior to RFP release

Step Four – Requirement Definition



Requirement Definition Sub-elements

- Conduct performance Risk Analysis
- Conduct a Requirements Analysis
- Build Requirements Roadmap
- Standardize requirements where possible to leverage market influence
- Develop a PWS or SOO
- Develop the QASP
- Develop Independent Government Estimate (IGE) based on projected demand forecast
- Establish stakeholder consensus

Requirements Roadmap

1 Vision

2 High Level Objective

High Level Objective

High Level Objective 1.0

3

Task Result, Context, Action	Standard	AQL	Inspection What, How, Who	Incentive/ Remedy
1.1				
1.2				
1.3				
1.4				
Etc.				

Provides the foundation for the PWS, PRS and QASP

Roadmap provides linkage for PWS, QASP and Acquisition Approach

Acquisition Vision
Stakeholder Desired Outcomes
- A.....
- B.....
- C....

Developed in Steps 1, 2 & 3

Requirements Roadmap

Objective	Standards	AQL	Inspection	Incentive

Developed in Step 4

Performance Work Statement or SOO

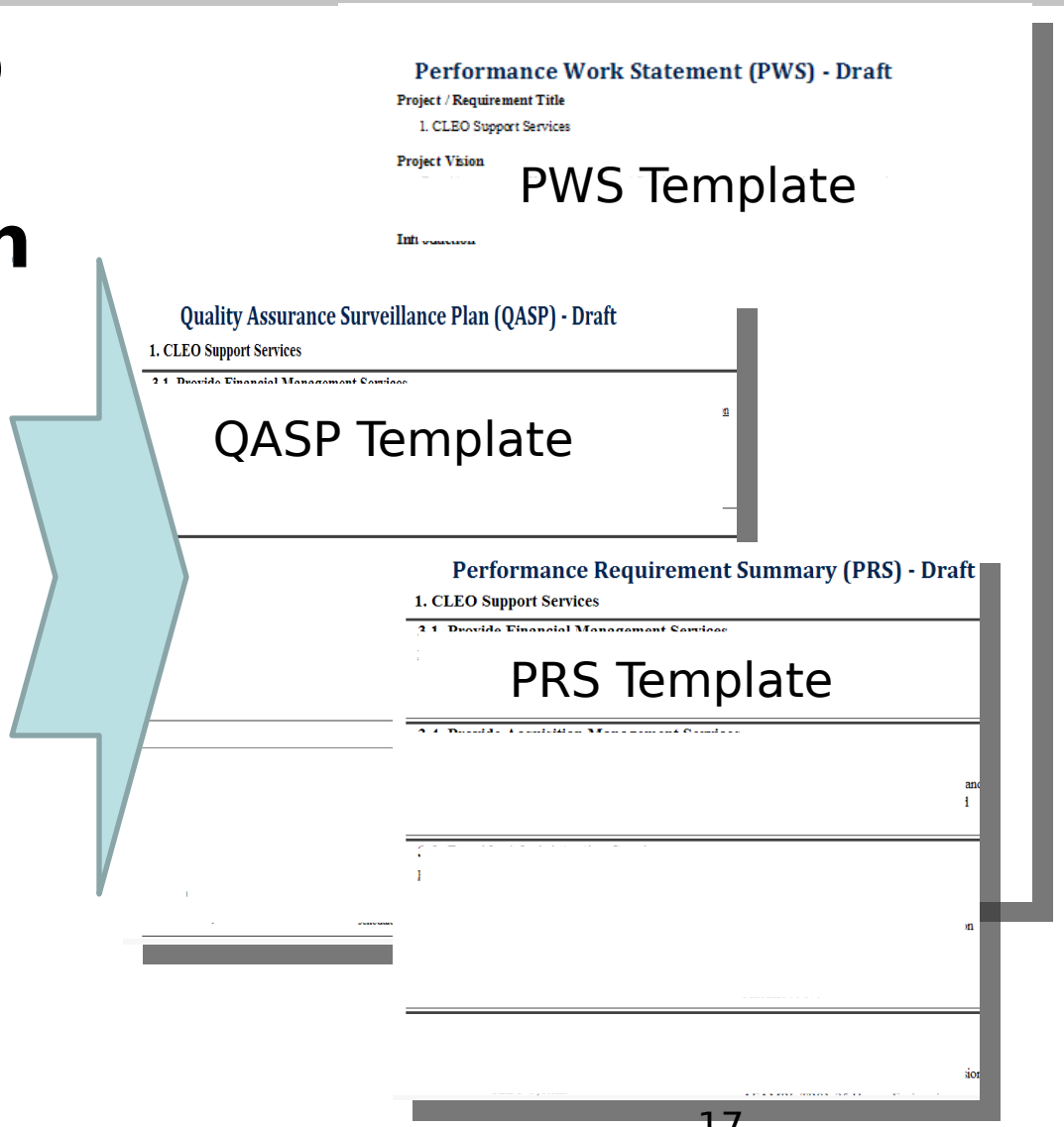
Quality Assurance Surveillance Plan

Business Strategy Evaluation Factors for Section M

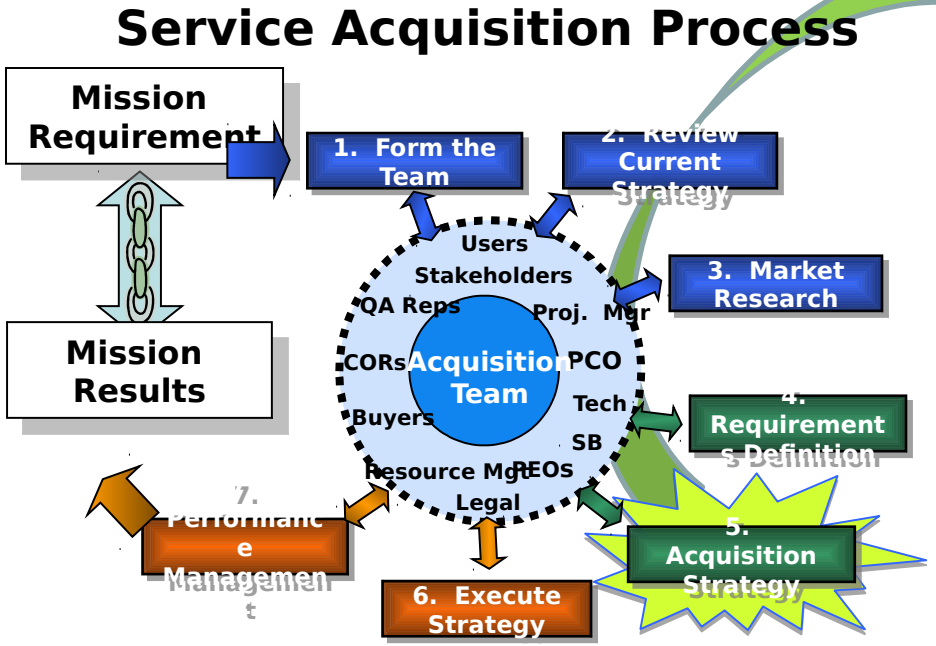
Developed in Step 5

Improving Tradecraft: ARRT

- ARRT guides user to **define requirements with a structured process**, using standard templates for completing:
  - Performance Work Statement (PWS)
  - Quality Assurance Surveillance Plan (QASP)
  - Performance



Step Five – Acquisition Strategy



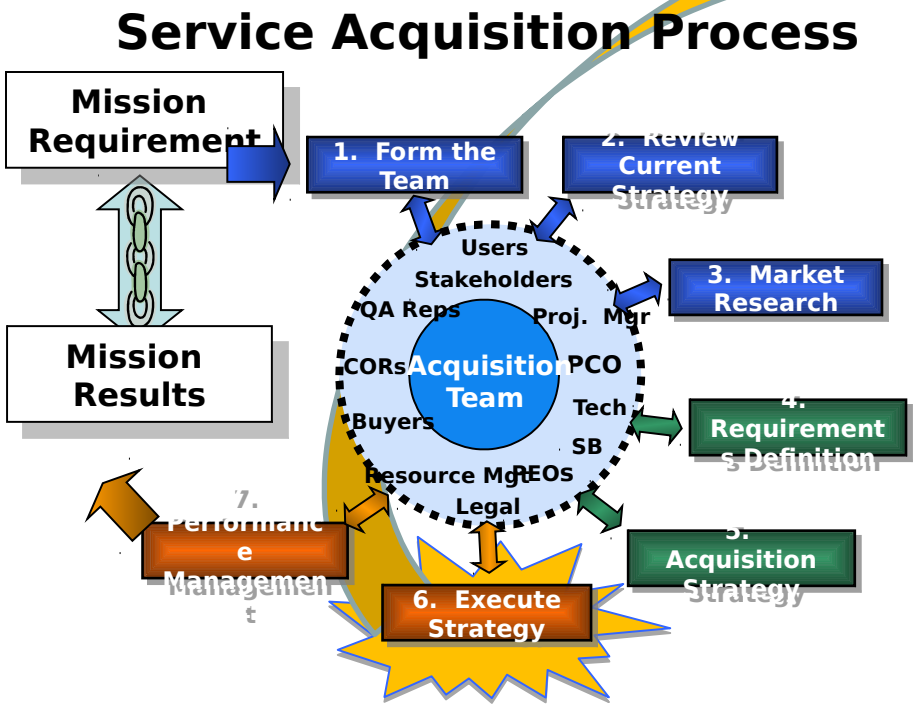
Acquisition Strategy Sub-elements

- Develop Preliminary Business Case & Acquisition Strategy
- Finalize Acquisition Strategy
- Allocate workload within team to support the acquisition strategy
- Prepare Acquisition Planning Documents
- Consider use of Draft RFP

Development Phase - Challenges

- Severe cases of “Cut-paste-itis”
  - Not analyzing what has changed from last requirement
- Confusion between performance objectives and performance standards
- Task requirements with no performance standards
  - Confusion on “How” to develop a PWS
- Overly specific “Personnel qualifications”
- Limited KO involvement during requirement development impacts developing effective business strategies
  - Lack of understanding of the key performance issues and stakeholder concerns
- Questionable business strategy and contract type decisions

Step Six – Execute Strategy

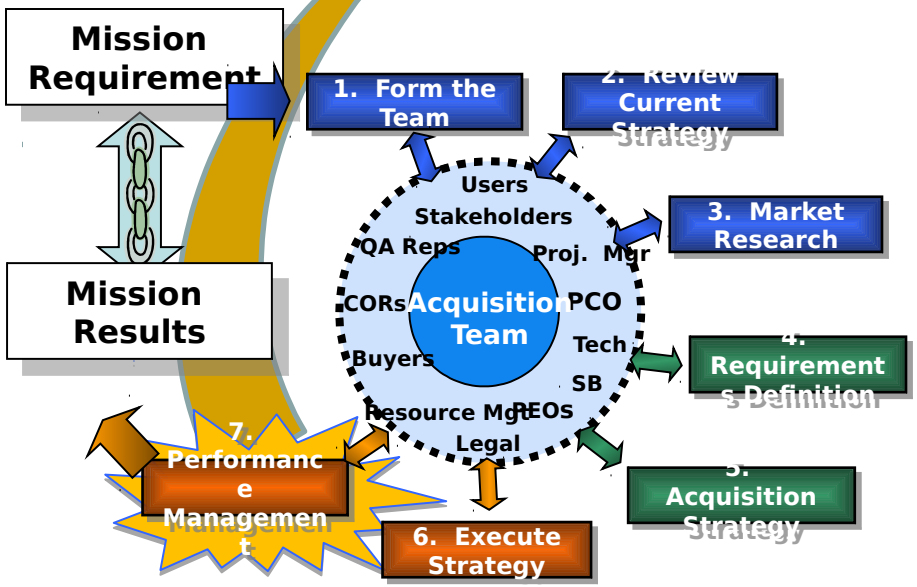


Execute Strategy Sub-elements

- Issue request for proposal (RFP) or MIPR
- Conduct source selection
- Pre-Award approval documents
- Contract award
- Debrief unsuccessful offerors
- Finalize Quality Assurance Surveillance Plan
- Post Award implementation / transition

Step Seven – Performance Management

Service Acquisition Process



Performance Management Sub-elements

- Transition to Performance Management
- Manage and administer overall program
- Manage Performance Results
- Conduct quarterly supplier and key stakeholders performance reviews
- Evaluate effectiveness of strategy
- Develop plan for managing continuous improvement

Requirement **Alignment** **Results**

Execution Phase - Challenges

- Tracking performance requires using the QASP and collecting data and facts
  - Too often lack the data to support CPARS, if CPARS are completed
  - Too often little connection between QASP and CPARS
- Part time CORs with high turnover
- Need to Manage the Relationship, the Results and the Contract
- Keeping leadership engaged in the results

Improve the Tradecraft in Service Acquisitions
Approach to Service Acquisition Training

- Classroom
  - ACQ 265 Mission Focused Services
- Workshops
  - Services Acquisition Workshops (SAW)
- Web Based
  - Services Acquisition Mall (SAM)
    - Training, Tools and Knowledge
    - ARRT (Automated Requirements Roadmap Tool)
  - Continuous Learning resources